

**To Provide Quality Service, the Government
Entities Organization First Needs to Identify
Its Customers**

July 2002

Reference Number: 2002-10-102

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DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

INSPECTOR GENERAL
for TAX
ADMINISTRATION

July 24, 2002

MEMORANDUM FOR COMMISSIONER, TAX EXEMPT AND GOVERNMENT
ENTITIES DIVISION

A handwritten signature in cursive script, reading "Pamela J. Gardiner".

FROM: Pamela J. Gardiner
Deputy Inspector General for Audit

SUBJECT: Final Audit Report - To Provide Quality Service, the Government
Entities Organization First Needs to Identify Its Customers
(Audit # 200110003)

This report presents the results of our review to evaluate whether the Tax Exempt and Government Entities (TE/GE) Division is properly and effectively managing its modernization initiatives to identify its Government Entities (GE) organization customers and their customer service issues.

In summary, we found that the GE organization has initiated steps to identify its customers and related tax issues. However, the processes established by the three GE organization functional offices to monitor the implementation of these actions could be enhanced. Effectively identifying the customers and their customer service issues for the GE functional offices is a critical part of the successful modernization of the TE/GE Division.

The high level operational plans developed by the three functional offices to identify their customers did not specify management officials who would be responsible for ensuring that the planned actions are performed in a timely and effective manner. The GE organization's three functional offices developed operational plans that did not describe the specific steps or methods that will be used to effectively oversee the planned actions. In addition, the initiative to identify customers using tax information provided by the Internal Revenue Service's (IRS) automated systems could be enhanced. Also, specific plans or systems to uniformly provide customers with points of contact within GE or to collect and evaluate customer tax requirement information obtained from the customer contacts need to be established.

Management's Response: The TE/GE Division responded that it has completed several recommendations concerning establishment of action plans, performance measures,

and baselines for services. It has also designated management officials to be responsible for its action plans, and established additional management controls. The GE organization is also working to further enhance its customer identification capabilities and to provide its customers a point of contact. Moreover, the TE/GE Division has agreed to improve the Request for Information Services (RIS) process by updating TE/GE Business Planning Office's policies and procedures for submitting RIS' and monitoring the RIS process.

Copies of this report are also being sent to the IRS managers who are affected by the report recommendations. Please contact me at (202) 622-6510 if you have questions or Daniel R. Devlin, Assistant Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs) at (202) 622-8500.

**To Provide Quality Service, the Government Entities
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Background

The Internal Revenue Service (IRS) Restructuring and Reform Act of 1998 (RRA 98)¹ resulted in the IRS designing a new Tax Exempt and Government Entities (TE/GE) Division built around specific groups of taxpayers with relatively similar needs. Although generally paying no income tax, the TE/GE sector does pay over \$220 billion in employment taxes and income tax withholding. A critical challenge facing the TE/GE Division is the establishment of its Government Entities (GE) organization and the timely and effective identification of its customers and their customer service issues.

The GE organization consists of three functional offices: Tax Exempt Bonds (TEB), Federal, State, and Local Governments (FSLG), and Indian Tribal Governments (ITG). The primary responsibilities of the GE organization are to: assist customers in understanding their tax obligations, assess compliance with relevant federal tax laws, ensure that its customers report the correct amount of federal tax due, and correct non-compliance through customer education and outreach activities.

The GE organizational structure was designed to meet the needs of three very distinct customer groups that are governed by complex, highly specialized provisions of the tax law.

- The TEB office has responsibility for tax exempt bond investments that total over \$1.3 trillion. The bonds vary in size and are typically issued by a government entity. The TEB customers include private borrowers of municipal bond proceeds, bondholders, individuals that provide legal counsel to municipal entities, and underwriters. These customers require services tailored to their varying economic and legal needs.
- The FSLG office has responsibility for tax issues regarding federal, state, and local government entities. While the FSLG customers are generally not subject to

¹ Pub. L No. 105-206, 112 Stat. 685 (codified as amended in scattered sections of 2 U.S.C., 5 U.S.C., 5 U.S.C. app., 16 U.S.C., 19 U.S.C., 22 U.S.C., 23 U.S.C., 26 U.S.C., 31 U.S.C., 38 U.S.C., and 49 U.S.C.).

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federal income tax, these entities often have significant tax responsibilities such as employment tax withholding and reporting that result from their status as employers. The FSLG customers require highly tailored services due partially to governmental budgetary and legislative requirements and cycles.

- The ITG office coordinates all tax matters arising from Indian tribal government activities. The ITG customers have a special government-to-government relationship with the United States (U.S.) and require unique customer service arrangements. The increase in commercial activities such as gaming by tribal governments has raised federal tax questions relating to governments as employers; distributions to tribal members; and the establishment of government programs, trusts, and businesses. These tax matters are further complicated by the unique status of Indian Nations and the fact that the ITG office has not determined the true number of Indian tribal government entities.

Although officially created in December 1999, the GE organization is still trying to reach its projected optimal staffing levels. TE/GE executives have expressed concerns with the resource levels and acknowledged that the full implementation and establishment of the GE organization is being delayed through Fiscal Year (FY) 2003. As a result of these resource limitations, the GE organization is still trying to identify its customers and their unique customer service issues.

The TE/GE Division strategic planning process occurs annually and is performed throughout the organization. The Commissioner, TE/GE Division, issued a divisional strategic plan that provides the organization-wide goals, trends, problems to be addressed, and strategies to address them. In turn, the Director, GE, issued a Functional Strategies Plan for FY 2001 with five broad strategy areas that mirrored the divisional plan.

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The five broad areas are as follows:

- Planning
- Training
- Customer Service
- Compliance
- Work Process

We focused our audit on the Customer Service strategy area. We believe the customer service initiatives to identify GE customers and their customer service needs are critical processes that must be performed to meet the TE/GE Division goal of providing quality customer service. Our review of the processes for controlling the customer service initiatives currently underway resulted in our observations that additional management actions are needed to better identify its customers and their needs.

We interviewed TE/GE Division management officials and staff in the TE/GE Division headquarters office in Washington, DC. We also contacted federal, state, and local governments, Indian Nations, and tax exempt bond associations. This audit was conducted in accordance with *Government Auditing Standards* between November 2000 and December 2001.

Detailed information on our audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.

Improvements Are Needed in the Operational Plans for the Government Entities Functional Areas

The three GE functional offices further refined the GE Functional Strategies Plan for FY 2001 by developing individual operational plans that provided goals for identifying their customers and customer service issues. However, these plans did not specify who would be held accountable for ensuring that the goals were realized. Also, the plans did not specify the methods that would be used to monitor the completion of the strategic goals. In addition, the plans did not include milestone dates for the planned actions or how the status of the actions taken will be communicated to senior GE officials. The timely completion of the customer service goals in the operational

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plans is critical to the GE organization's efforts to identify its customers and their specific needs and, as a result, provide quality customer service.

The GE organization management team advised us they had limited staff to properly plan and track their customer service initiatives. The on-board staff was primarily devoted to the stand-up of the new organization. For example, the stand-up actions included the hiring and training of new employees and the marketing of the GE organization's existence among its customers and their business associations.

The GE organization's ability to timely determine customer issues and customer service needs is critical to its future success. Because GE customer needs are evolving, it is vital for the GE organization to establish processes to ensure that current and future customer needs are addressed. For example, Indian Nations have recently begun to charter their own banks. It is critical for the ITG office to assess this area since it will present new customer needs that the ITG office may not be currently prepared to address.

As reflected in the TE/GE Division modernization design documents, a key success factor to the TE/GE Division achieving its objective of providing top quality customer service is the implementation of the concept of end-to-end accountability. This includes clear roles and responsibilities for work performed and controls over resources devoted to critical processes. Until accountability is defined and timeframes established for planned actions, the GE organization is at risk that its customers may not fully understand their requirements for complying with the federal tax laws.

Recommendations

The Commissioner, TE/GE Division, should provide the necessary resources to:

1. Ensure that the operational plans fully disclose the management officials who are responsible for oversight of the actions planned.

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2. Ensure that the operational plans include the actions planned, individuals assigned, completion dates, expected results, and methods to monitor and report performance.

Management's Response: The TE/GE Division has three functional areas within the GE organization and responded that they have established action plans that correspond to operational priorities and include documentation identifying responsible parties for oversight of those plans.

Processes to Obtain Customer Tax Information Could Be Enhanced

We believe additional management actions should be taken to better oversee the Information Technology Services (ITS) support work currently underway to identify GE organization customers. The modernization design plans that were used to establish the TE/GE organization recognized the need to oversee the contractual relationship with the ITS office. For example, the design plans specified that open lines of communication be established with the ITS office to ensure that adequate resources and services are received.

The identification of customers and their tax issues is a key factor in the TE/GE Division achieving its objective of providing quality customer service. The GE functional offices have begun this process.

- The TEB office met with the major stakeholder groups to identify the bond issuers for municipal obligations.
- The FSLG office obtained data from the U.S. Commerce Department and the National Conference of State Social Security Administrators to identify its customers.
- The ITG office used information provided by the Bureau of Indian Affairs and other commercial sources to identify its customers.

While the GE organization's efforts to identify its customers and their customer service issues using information from outside the IRS have been successful, the initiative to identify customers using tax information contained in the IRS' automated systems could be enhanced. This ability will be crucial if GE is to effectively and efficiently assess

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its customers' compliance with their federal tax responsibilities.

The IRS' automated systems need to be modified to allow for the identification of the GE customer base. A Request for Information Services (RIS) titled "Supplemental TE/GE Modernization Needs" was issued to the ITS organization to better identify, extract, and report the GE customer information. The RIS was to be completed by January 1, 2002; however, some of the requested actions have not been completed and the revised completion date is now December 23, 2002. These delays have occurred, in part, because the data requirements needed to fully develop the requested management reports were not timely communicated to the ITS organization. We believe the report requirements were not timely provided to the ITS organization because informal processes were used to monitor the RIS actions.

We reviewed documented communications between the ITS organization and the TE/GE Business Systems office and determined that the ITS organization requested additional details about the data needed for the reports. These communications about the data needed and resulting delays occurred at lower levels within the GE and ITS organizations. Although the report requirements are critical to the successful completion of the RIS actions, we did not identify any process to elevate the ITS concerns to GE organization senior managers for consideration and action.

The TE/GE Division Business Systems office is responsible for coordinating and overseeing the RIS actions. However, our evaluation of the informal processes currently used to monitor the RIS actions has determined that overall responsibility for the RIS was not and has not yet been clearly established with a specific office. For example, neither the Business Systems office nor the GE organization has assumed overall responsibility for the RIS actions. We believe that without clear lines of accountability for addressing RIS concerns, additional delays could occur when requesting support services from the ITS organization.

The ITS organization advised the Business Systems office that ITS resources may be shifted to work on higher priority

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work during 2002. The TE/GE Division Business Systems office does not consider this a significant risk to the GE organization because they believe the level of ITS organization support actions will not significantly decrease for 2002. As a result, senior GE managers were not informed that the level of service provided by the ITS organization may decrease. We believe that procedures should be developed to ensure that potential work stoppage issues are timely communicated to the GE organization senior managers.

Additionally, our discussions with the TE/GE Division Business Systems group determined that additional TE/GE Division management emphasis may be required to ensure that the processes used to prioritize the RIS actions with the ITS organization are effective. The Service Level Agreement (SLA) with the ITS organization does not specify the processes that will be used to prioritize the RIS actions nor does it specify the processes that will be used by the TE/GE Division to monitor and resolve any non-performance issues. The use of formal agreements that clearly document the priority of the requested actions, level of performance expected, and the processes that will be used to monitor work completed could enhance the GE organization efforts to identify its customers and their customer service issues.

The TE/GE Division FY 2002 Strategic Plan identified five critical improvement projects requiring ITS support. Even though the RIS titled "Supplemental TE/GE Modernization Needs" was identified as a "stay-in-business" request, the RIS was not identified in the TE/GE Division Strategic Plan as a priority project. We did not identify any processes to ensure that all RIS requests be prioritized for possible inclusion in the strategic plans. Until processes are developed to prioritize the RIS requests, some critical improvement projects may not be completed as planned.

The Director, GE, advised us that the processes to properly oversee the RIS process were never fully established because of other organizational priorities and, as a result, GE organization efforts to oversee the work performed by the ITS organization was limited. However, the

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identification of GE customers using IRS tax account information is a critical component in the organization's efforts to provide quality customer service as well as ensure compliance with federal tax laws.

Recommendations

The Commissioner, TE/GE Division, should:

3. Ensure that additional management controls are established to oversee the RIS actions taken to identify GE organization customers and their customer service issues and to timely resolve issues that could delay the completion of the requested actions. For example, clear lines of responsibility should be established to effectively oversee the RIS actions.

Management's Response: The Business Systems Planning Office will update the TE/GE Request for Information Systems Office Procedures document to include a policy to eliminate the practice of combining unrelated requirements into a single RIS request. Independent requirements will be submitted on separate RIS requests. The RIS originator will be the primary RIS contact responsible for providing business requirements to ITS and monitoring the RIS status. The primary contact will notify appropriate management within the TE/GE Division and ITS of unresolved delays and issues. A policy will also be established that will require the RIS to reflect the date that the TE/GE Division will provide detailed specifications to ITS. If the specifications cannot be provided earlier, they will be provided when the final RIS is submitted.

4. Enhance the SLA with the ITS organization to include: processes to inform the ITS organization when requesting high-priority support actions, level of performance expected, and the processes that will be used to monitor work completed and to resolve non-performance issues.

Management's Response: The Business Systems Planning Office will update the TE/GE Request for Information Systems Office Procedures document to require the primary RIS contact to follow-up on all final RIS pending

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acceptance for more than 30 business days. It will also issue a memorandum to each of the business unit directors to notify them of the consolidated RIS report and communicate the RIS follow-up policy. It will publish on its web site a consolidated report reflecting the status of each RIS.

Office of Audit Comment: Management's response addressed several important areas; however, it did not address the recommendation to enhance the SLA, which is needed to ensure that adequate resources and services are received.

5. Establish a process within the TE/GE Division to ensure that high-priority RIS actions are considered for inclusion in the TE/GE Division Strategic Plans.

Management's Response: As a component of the annual strategic planning process, the Director, Business Systems Planning developed a listing of proposed improvement projects and their associated RIS. This listing highlights the importance of the RIS work to the projects and ensures alignment with the TE/GE Strategic Plan for the upcoming fiscal years.

Communications With Government Entity Customers Could Be Better Controlled

The GE functional offices have made significant efforts to contact customers and market the new offices. However, we did not identify specific plans or systems to uniformly provide customers with points of contact within GE or to collect and evaluate customer tax requirement information obtained from the customer contacts. Until effective processes are established to capture and evaluate customer tax requirement needs, the GE organization's three functional offices may not be able to provide quality customer service.

The standards for internal controls in the federal government² require that sufficient data be timely and properly recorded that will provide value to management when controlling operations and making decisions. The GE organization's informal processes to collect and evaluate

² Federal Managers' Financial Integrity Act, 31 U.S.C., § 3512(b), 1982.

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customer service issues may prevent the GE organization from achieving its goal to develop a responsive customer outreach program. The GE organization managers advised us that sufficient resources have not been available to develop the necessary points of contact or the processes that will be used to effectively capture customer service issues.

Points of contact could be better defined

The FSLG customers do not have an effective means to communicate their tax requirement issues to the FSLG office. The FSLG customers we contacted advised us that they have discussed some issues with the FSLG office staff during face-to-face meetings. However, these customers were not provided with any instructions on the processes to use when trying to communicate with the FSLG office. For example, one federal agency informed us that it had not received any contact points or guidance that would facilitate discussions with the FSLG office. The FSLG managers advised us that the FSLG office uses an ad-hoc approach to communicate with its customers.

The TEB customers were informally provided phone contacts at professional association meetings and/or outreach and training sessions conducted by the TEB office. These customers were unaware of any formal process to communicate customer service issues to the TEB office.

The GE organization Functional Strategies Plan for FY 2001 listed the use of the Internet and IRS Intranet as one of the customer service goals. The GE functions have established web sites that are available to the public. The ITG office has listed some tax issues for its customers, and the TEB office uses its web site to obtain information from its customers. The FSLG office used its web site to announce its existence. However, none of the GE organizations developed the web sites to be the focal point for conducting business with its customers. The web sites should identify the services provided by each of the functional offices and contact points for the services listed. This approach could enhance customer service and reduce the customer burden when communicating with the offices. The Director, GE, supports the expanded use of the web sites to communicate with GE customers; however, the GE

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organization does not currently have the necessary resources to effectively provide enhancements to the web sites.

Efforts to capture customer issues could be enhanced

The three GE functional offices have initiated some actions to develop prototype processes to record customer information. The TEB office attempted to have its customers complete questionnaires at TEB outreach/training sessions. The TEB office also tried to use its web sites to obtain information from its customers. The FSLG and ITG offices primarily relied on face-to-face contacts to communicate with their customers. Although these initiatives have improved customer service, we did not identify any plans to develop permanent processes for controlling customer service issues within GE. Specifically, we did not identify:

- Clear procedures regarding the processing of customer information.
- Effective tools to receive and store customer information.
- Effective processes to evaluate the customer information.

An effective process to capture and evaluate the customer service issues would enhance the GE organization's ability to oversee the quality of customer service provided its customers. Also, management will be in a better position to readily identify and resolve critical customer service issues facing the GE organization. The GE organization management team advised us that their plans are to fully develop the necessary processes to capture customer service issues when staff resources are available to work on the initiatives. However, specific timetables were not provided.

Recommendations

The Commissioner, TE/GE Division, should develop action plans with due dates and provide the necessary resources to:

6. Ensure that customers are provided with contact points for resolution of their customer service issues and

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implement processes to improve communication with the three functional offices. For example, additional actions could be taken to enhance the web sites for the three GE organization functional offices.

Management's Response: To expand its method of customer communications, The GE organization has been working with the Communications & Liaison Office to expand and develop its Internet presence. Moreover, it has taken steps to ensure that its customers are provided with contact information to resolve customer service issues.

7. Ensure that the processes currently used to capture customer information include clear procedures for processing and evaluating the customer information.

Management's Response: The TE/GE Division responded that they have expanded their functional database to capture more extensive data and generate more reports. The GE organization has also developed and implemented procedures for capturing, processing and evaluating customer information. In addition, the TE/GE Division has developed procedures and trained their employees on the use, content, and importance of the database.

Detailed Objective, Scope, and Methodology

The objective of our audit was to evaluate whether the Tax Exempt and Government Entities (TE/GE) Division is properly and effectively managing its modernization initiatives to identify its Government Entities (GE) organization customers and their customer service issues. We determined whether the GE organization's three functional offices were taking appropriate actions to identify its customer base and customer needs that would facilitate the development of effective Customer Education and Outreach (CEO) programs for these offices. Also, we determined whether the GE organization's management provides effective oversight that ensures the initiatives taken to identify the customer base and customer service needs are timely and effectively performed. Specifically, we:

- I. Interviewed the GE managers and staff and reviewed strategic planning documents and action plans to identify and evaluate the methodology used by the GE organization to identify its customers and their customer service needs for the three functional offices.
- II. Evaluated the methodology that the GE staff used to identify and foster working relationships with the various stakeholder organizations and groups. We contacted a judgmental sample of federal, state, and local governments, Indian tribal nations, and associations that represent the tax exempt bond industry to obtain their opinions and comments concerning the GE organization's efforts to provide quality customer service.
- III. Reviewed design and modernization plans and actions to determine whether the GE organization was meeting its proposed objectives in establishing an effective CEO program. Specifically, we reviewed those CEO activities that involved steps to identify the customer base and activities for identifying customer needs.

Major Contributors to This Report

Daniel R. Devlin, Assistant Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs)
Joseph W. Edwards, Director
Kevin P. Riley, Acting Director
Michael A. Levi, Audit Manager
Melvin Lindsey, Senior Auditor
Gary Pressley, Senior Auditor
Barbara A. Sailhamer, Senior Auditor
Angela Garner, Auditor
Gwen Bryant-Hill, Auditor
Carolyn D. Miller, Auditor

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Appendix III

Report Distribution List

Commissioner N:C
Deputy Commissioner, Tax Exempt and Government Entities Division T
Chief, Information Technology Services M:I
Director, Government Entities T:GE
Director, Fed/State/Local Governments T:GE:FSL
Director, Indian Tribal Governments T:GE:IT
Director, Tax Exempt Bonds T:GE:TEB
Chief Counsel CC
National Taxpayer Advocate TA
Director, Legislative Affairs CL:LA
Director, Office of Program Evaluation and Risk Analysis N:ADC:R:O
Office of Management Controls N:CFO:F:M
Audit Liaison:
 Director, Communications and Liaison, Tax Exempt and Government Entities
 Division T:CL

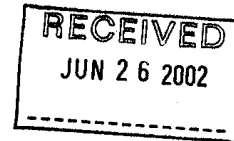
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Appendix IV

Management's Response to the Draft Report




DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224



MAY 16 2002

MEMORANDUM FOR DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: Evelyn A. Petschek 
Commissioner, Tax Exempt and Government Entities

SUBJECT: To Provide Quality Service, the Government Entities
Organization First Needs to Identify Its Customers
(Audit #200110003)

I am responding to your draft report about the customers of the IRS's Government Entities organization. As one of three business units within the Tax Exempt and Government Entities Division (TE/GE), Government Entities (GE) serves the unique needs of three previously under-served and highly diverse IRS customer groups governed by complex, highly specialized provisions of the tax law. As you point out, these groups nevertheless have relatively similar needs, which the IRS created GE to address.

I agree with the general findings of your report, specifically that our organization can improve its processes of identifying GE customers by developing and monitoring action plans. However, at the time of the audit, GE had not completed its action plans. Rather, GE's focus was to complete the organization's design and stand-up the new organization. Our primary need then was to hire and train the necessary staff for the three functional areas. We completed this process by mid-FY 2001.

Subsequently, GE began identifying customers by baselining services and developing performance measures. GE has now completed several of your recommendations concerning establishing action plans, designating management officials responsible for those plans, and establishing additional management controls. In addition, we are working to further enhance our customer identification capabilities.

Again, I generally agree with the recommendations in your report. However, I would like to comment on your finding about enhancing the processes to obtain customer tax information. Your report does not reflect the extensive coordination and consultation by TE/GE's Business Systems Planning staff, the GE business segments, and several Information Technology Services (ITS) organizations to define specifications, which could meet GE's needs within the constraints of the legacy environment – for example,

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Business Master File (BMF) data and reporting systems. Our most recent Request for Information Services (RIS) response from ITS, dated January 31, 2002, agreed to deliver all requested work outlined in phases 1 through 3 of the RIS response by March 9, 2002. We completed that work by March 31, 2002. However, we have delayed Phase 4 work until various cycles in 2003.

While we did not give ITS all the report specifications when we submitted the RIS, the critical needs GE identified were actually delivered on or before the requested operational date. Return Transaction File (RTF) data transfers to RICS began in September 2001. Initial population of the BOD Client Codes needed to identify GE customers began January 2002.

We have made significant improvements in the service we provide to this important customer segment. However, many of your observations will be helpful as we move forward. Our comments on your recommendations follow.

IDENTITY OF RECOMMENDATION 1

Ensure that the operational plans fully disclose the management officials who are responsible for oversight of the actions planned.

ASSESSMENT OF CAUSE

As a new-build organization with no preexisting structure, the three functional areas within GE did not have an action plan because GE had not yet progressed to that level of the planning process. Without an action plan, GE was unable to disclose the responsible management officials in charge of action oversight. Its primary focal point at the time was on high-level stand-up issues such as hiring and training of new employees and establishing the organization.

CORRECTIVE ACTION

We have completed corrective actions to implement this recommendation. The three functional areas have established action plans that correspond to operational priorities and include documentation identifying responsible parties for oversight of those plans. For example, FSLG has initiated the use of the "Service Wide Action Plans" (SWAP). The system includes for each planned action the responsible party, objectives, milestones, completion dates, expected results, and the current status.

IMPLEMENTATION DATE

Completed

RESPONSIBLE OFFICIAL

Completed

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CORRECTIVE ACTION MONITORING PLAN

Completed

IDENTITY OF RECOMMENDATION 2

Ensure that the operational plans include the actions planned, individuals assigned, completion dates, expected results, and methods to monitor and report performance.

ASSESSMENT OF CAUSE

As a new-build organization with no preexisting structure, the three functional areas within GE did not have an action plan because GE had not yet progressed to that level of the planning process. Its primary focal point at the time was on high-level stand-up issues such as hiring and training of new employees and establishing the organization.

CORRECTIVE ACTION

We have completed corrective actions to implement this recommendation. The three functional areas have established action plans that correspond to operational priorities and include documentation identifying responsible parties for oversight of those plans. For example, FSLG has initiated the use of the "Service Wide Action Plans" (SWAP). The system includes planned actions, responsible parties, objectives, milestones, completion dates, expected results, and current status.

IMPLEMENTATION DATE

Completed

RESPONSIBLE OFFICIAL

Completed

CORRECTIVE ACTION MONITORING PLAN

Completed

IDENTITY OF RECOMMENDATION 3

Ensure that additional management controls are established to oversee the RIS actions taken to identify GE organization customers and their customer service issues and to timely resolve issues that could delay the completion of requested actions. For example, clear lines of responsibility should be established to effectively oversee the RIS actions.

ASSESSMENT OF CAUSE

Three components contributed to this issue. First, the scope of RIS EXO-1-0003 was too broad in its span and complexity. Also, we had not identified a single Point of Contact for requirements. Lastly, we had not provided detailed specifications when we submitted the final RIS.

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CORRECTIVE ACTION

BSP will update the TE/GE Request for Information Services Office Procedures document to include the following: A policy within TE/GE to eliminate the practice of combining unrelated requirements into a single RIS request. We will submit independent requirements on separate RIS requests: the RIS originator will be the primary RIS Contact responsible for providing business requirements to ITS and monitoring the RIS status. The primary contact will notify appropriate management within TE/GE and ITS of unresolved delays and issues. We will establish a policy within TE/GE that will require the RIS to reflect the date we will provide detailed specifications to ITS. If the specifications cannot be provided earlier, they will be provided when we submit the final RIS.

IMPLEMENTATION DATE

September 1, 2002

RESPONSIBLE OFFICIAL

Director, Business Systems Planning

CORRECTIVE ACTION MONITORING PLAN

We will monitor the completion of the planned action in the BSP operational review.

IDENTITY OF RECOMMENDATION 4

Enhance the Service Level Agreement (SLA) with the ITS organization to include: Processes to inform the ITS organization when requesting high-priority support actions, level of performance expected, and the processes that will be used to monitor work completed and to resolve non-performance issues.

ASSESSMENT OF CAUSE

The RIS process does not provide a method for prioritizing competing business needs within the five components of TE/GE, e.g. multiple stay in business RIS. Also, ITS does not provide update information on RIS progress beyond acceptance. Once accepted, the next ITS status update is to show completion.

CORRECTIVE ACTION

BSP will update the TE/GE Request for Information Services Office Procedures document to require the primary RIS Contact to follow-up on all FINAL RIS pending acceptance for more than 30 business days. Secondly, BSP will issue a memorandum to each of the business unit Directors to notify them of the consolidated RIS report and communicate the RIS follow-up policy. Finally, BSP will publish on the BSP web site a consolidated report reflecting the status of each RIS.

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IMPLEMENTATION DATE

October 1, 2002

RESPONSIBLE OFFICIAL

Director, Business Systems Planning

CORRECTIVE ACTION MONITORING PLAN

Completion of the planned action will be monitored in the BSP operational review.

IDENTITY OF RECOMMENDATION 5

Establish a process within the TE/GE Division to ensure that high-priority RIS actions are considered for inclusion in the TE/GE Division Strategic Plans.

ASSESSMENT OF CAUSE

We did not have a process to evaluate a RIS as a potential improvement project candidate for the TE/GE Improvement Project Portfolio at the time we submitted this RIS.

CORRECTIVE ACTION

We have completed corrective actions to implement this recommendation. As a component of the annual strategic planning process, the Director, BSP developed a listing of proposed improvement projects and their associated RIS. This listing highlights the importance of the RIS work to these projects and ensures alignment with the TE/GE Strategic Plan for the upcoming fiscal year.

IMPLEMENTATION DATE

Completed

RESPONSIBLE OFFICIAL

Completed

CORRECTIVE ACTION MONITORING PLAN

Completed

IDENTITY OF RECOMMENDATION 6

Ensure that customers are provided with contact points for resolution of their customer service issues and implement processes to improve communication with the three functional offices. For example, additional actions could be taken to enhance the web sites for the three GE organization functional offices.

To Provide Quality Service, the Government Entities Organization First Needs to Identify Its Customers

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ASSESSMENT OF CAUSE

As a new-build organization with no preexisting structure, the three operating divisions did not have an established customer base. GE was still identifying its customer base by working with its advisory groups to determine the needs of the customer. In addition, GE had not yet completed its development of analytical tools and materials required to evaluate the needs of the customer.

CORRECTIVE ACTION

We have completed corrective actions to implement this recommendation. To expand its method of customer communications, GE has been working with Communications & Liaison to expand and develop its Internet presence. GE has already begun ensuring that we provide our customers contact information to resolve their customer service issues. For example, FSLG has created and initiated distribution of Publication 3809 "TE/GE Fed State and Local Governments Customer Service and Contacts" and Publication 3810, a bookmark with contact information in July 2001. The combined distribution for these is 78,037 as of April 10, 2002. They have also provided training and contact points for the Customer Account Services (CAS) site.

ITG issued letters to tribes informing them about ITG, and giving them names and telephone numbers of the ITG Manager responsible for their tribe. In addition, we use brochures and bookmarks at outreach functions that provide managers' names and numbers and Website information.

We uploaded TEB information to the Digital Daily in June 2001 and created a specific link for www.irs.gov/bonds, effective in August 2001. The TEB website included a comprehensive list of outreach coordinators and contact information (names of coordinators, telephone numbers, and e-mail addresses) by customer segment. The materials posted on the website are also sent to TEB's customers and identified customer groups through ongoing joint education efforts and partnering initiatives.

IMPLEMENTATION DATE

Completed

RESPONSIBLE OFFICIAL

Completed

CORRECTIVE ACTION MONITORING PLAN

Completed

To Provide Quality Service, the Government Entities Organization First Needs to Identify Its Customers

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IDENTITY OF RECOMMENDATION 7

Ensure that the processes currently used to capture customer information include clear procedures for processing and evaluating the customer information.

ASSESSMENT OF CAUSE

As a new build organization, GE had no existing database to capture customer information. Its data collection processes were in the design and development phases. GE developed the initial database in the first quarter of FY 2002.

CORRECTIVE ACTION

We have completed corrective actions to implement this recommendation. We have expanded our functional database to capture more extensive data and generate more reports. For example: FSLG is testing our customer contact data and gathering Access database with the Gulf Coast group and with our management assistants. All field employees will use the system once we complete testing.

ITG has developed and implemented procedures for capturing, processing and evaluating customer information. ITG OPR is the central unit for processing and analyzing information from field contacts, outreach activities, data collection and customer input.

The TEB Outreach Database is fully operational. GE developed procedures on use, content and importance of the Database in January 2002 and trained all TEB employees at the TEB CPE session in mid-February 2002. We hired additional OPR employees who are now inputting the information in the system.

IMPLEMENTATION DATE

Completed

RESPONSIBLE OFFICIAL

Completed

CORRECTIVE ACTION MONITORING PLAN

Completed

If you have any questions, please contact Charles Peterson, Director, Government Entities at (202) 283-9738.